

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
MARCH 21, 2005**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, March 21, 2005.

The meeting was called to order by Chairman Greg A. Krodel who presided.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Greg A. Krodel – Chairman
Ken Sendelweck – Secretary
Michael A. Schwenk – Electric Commissioner
Edward J. Kreilein – Wastewater Commissioner
Alex Emmons – Gas Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Michael A. Oeding – Gas & Water Manager
Kenneth R. Schultz – Business Manager
Sandy Hemmerlein – City Attorney

ABSENT:

Mike Harder – Vice Chairman
Jeffrey S. Theising – Water Commissioner
Thomas A. Lents – Wastewater Manager

PLEDGE OF ALLEGIANCE (A-21)

Chairman Greg Krodel led the Pledge of Allegiance.

QUOTE OPENING: LOADER BACKHOE – ELECTRIC DISTRIBUTION (A-25)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

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|----|-------------------------------------|--|
| 1. | Whayne Supply Co.
Evansville, IN | \$75,126.00
<u>-51,800.00</u> trade-in
\$23,326.00 |
| 2. | K & W Equipment
Evansville, IN | \$66,020.45
<u>-51,120.12</u> trade-in
\$14,900.33 |

3.	Hopf Equipment	\$67,500.00
	Huntingburg, IN	<u>-58,750.00</u> trade-in
		\$ 8,750.00

Mike Schwenk made a motion to accept the quote from Hopf Equipment, subject to the quote meeting all of the specifications. Ed Kreilein seconded the motion. Motion approved, 5-0.

APPROVAL OF MINUTES (A-106)

Chairman Greg Krodel presented the minutes of the February 21, 2005 meeting and there being no corrections or amendments, asked for a motion to approve. Ed Kreilein made a motion to approve the minutes of the February meeting as presented. Alex Emmons seconded the motion. Motion approved, 5-0.

RESULTS OF TRENCHER QUOTE OPENING (A-125)

Jerry Schitter reported that after reviewing the trencher quotes opened at the February meeting he determined the low bid of \$38,100.00 from Ditch Witch did not meet specifications. Schitter explained the Ditch Witch machine did not meet specifications on horsepower, chain tensile strength, and the ease of use and safety of the controls. The next lowest bid from Vermeer of Indiana in Newburgh was for \$44,976.00, and it did meet the specifications.

Schitter recommended proceeding with the second low bid from Vermeer for \$44,976.00.

Ken Sendelweck made a motion to accept the quote from Vermeer for \$44,976.00, as recommended by Jerry Schitter. Alex Emmons seconded the motion. Motion approved, 5-0.

Schitter also reported that after reviewing the trailer quotes opened at the February meeting, the low quote was from Meyer Truck Equipment for \$3,050.00, which met all specifications.

Ed Kreilein made a motion to accept the quote from Meyer Truck Equipment for \$3,050.00. Alex Emmons seconded the motion. Motion approved, 5-0.

RESULTS OF RADIO LOCATOR QUOTE OPENING (A-188)

Jerry Schitter reported that after reviewing the radio locator quotes opened at the February meeting, the low quote was from C & S Solutions for \$4,648.50, which met all specifications.

Alex Emmons made a motion to accept the quote from C & S Solutions for \$4,648.50. Mike Schwenk seconded the motion. Motion approved, 5-0.

GENERATOR TURBINE REPORT (A-209)

Windell Toby reported that the turbine overhaul is proceeding as scheduled and no major problems have been found; however, the generator shorted out on February 17th and the plant has been shut down since then. General Electric has been on-site to test the generator and a blown coil was

discovered, which needs to be repaired. Toby said in order to expedite the repair; he obtained bids to be opened at tonight's meeting.

Sandy Hemmerlein said since Toby didn't have enough time to advertise for bids, according to State law, an emergency can be declared, as long as he invited bids from at least two companies known to deal in the public work.

Mike Schwenk made a motion to declare an emergency to expedite bids for the generator repair without advertising for bids. Ken Sendelweck seconded the motion. Motion approved, 5-0.

Windell Toby presented pictures showing the damage to the generator.

Sandy Hemmerlein opened the bids and read them aloud as follows:

- | | | |
|----|--|---|
| 1. | National Electric Coil
Columbus, OH | \$631,225.00 off-site stator rewind
\$951,350.00 off-site expedited schedule |
| | (includes a 5-year warranty) | \$788,300.00 on-site stator rewind
\$1,011,700.00 on-site expedited schedule |
| | | \$4,500.00 off-site rotor inspection |
| | | \$219,775.00 off-site rotor rewind
\$274,000.00 off-site expedited schedule |
| 2. | Power Generation Services, Inc.
Columbus, OH | \$595,750.00 off-site stator rewind
\$868,250.00 off-site expedited schedule |
| | | \$730,400.00 on-site stator rewind
\$930,000.00 on-site expedited schedule |
| | | \$6,200.00 off-site rotor inspection |
| | | \$223,000.00 off-site rotor rewind
\$277,900.00 off-site expedited schedule |
| 3. | Monarch Electric
Parma, OH | \$26,480.00 rotor
\$47,395.00 balance |
| | (includes a 2-year warranty) | \$508,000.00 off-site stator rewind
\$571,000.00 off-site expedited schedule |
| 4. | GE Energy Services
Cincinnati, OH | \$690,000.00 off-site stator
\$50,000.00 additional 5-year warranty
\$45,000.00 balance |
| | (includes a 3-year warranty, with option to extend an additional 5 years)
(price includes work already performed on-site) | |

Windell Toby explained that the insurance coverage was cancelled a few years ago due to the high deductible.

Jerry Schitter said the City saved approximately \$17,000 per month, based on January and February statistics, by generating electricity versus buying electricity from Vectren.

There was some discussion on the bid acceptance deadline of March 22, 2005 on three of the four bids. GE Energy quoted their deadline as March 25, 2005. Ken Schultz said he felt sure that any of the bids could be accepted later than March 22nd, but then they may not meet the June 1st deadline to be back on-line.

Howard Moudy, Regional Service Manager for National Electric Coil came before the Board to state that his company would be willing to extend the bid acceptance deadline, but scheduling and pricing would have to be adjusted accordingly.

Mike Schwenk made a motion for Windell Toby to take the bids under advisement and do a financial comparison by Thursday, March 24, 2005 at 11:00 AM, at which time a Special Utility Service Board meeting will be held to discuss the bids. Ed Kreilein seconded the motion. Motion approved, 5-0.

Ken Schultz presented a resolution for the Board to review prior to the special meeting on Thursday. He is proposing an additional purpose for use of the Self Insurance Reserve Fund that was established in 1987. Presently, \$500,000 is accumulated in that fund for Electric Generation and \$420,000 for Electric Distribution.

Right now, the only purposes the funds can be used for are the payment of penalties, fines, and/or fees imposed by State and/or Federal Regulatory Agencies as a result of statutory compliance deficiencies and other similar payments; and, deductibles on claims filed with insurance companies for losses. Schultz said he would like to add as a purpose of use of the funds, payment of claims in cases where there is no insurance in effect to cover the loss.

The resolution will be discussed and reviewed at the Special Utility Service Board meeting on Thursday, March 24th.

COOLING TOWER BID REPORT (B-115)

Windell Toby presented a change order for Elite Environmental for an additional \$900.00 to change the weight of the material being used from 8 ounces to 12 ounces.

Toby said the original contract was approved for \$33,751.00, and it is still the low bid.

Alex Emmons made a motion to approve the Change Order for \$900.00 as presented. Ken Sendelweck seconded the motion. Motion approved, 5-0.

ELECTRIC PLANNING COMMITTEE REPORT (B-148)

Mike Schwenk, Chairman of the Electric Planning Committee, stated the committee did not meet this past month.

UPDATE – STATE ROAD 56 PROJECT (B-150)

Mike Oeding gave a brief update on the State Road 56 project.

The gas project hasn't been started.

The water project is almost complete. The Water Utility will be picking up two customers that previously had Ireland Water service. The meter pit is in and buried. The lines are all hooked up. They are waiting for Ireland Water to put in their SCADA equipment.

HOMELAND SECURITY FOR CAMERA (B-172)

Mike Oeding reminded the Board that Jeff Theising had asked him to look into applying for Homeland Security funds to pay for the new security camera at the Water Plant.

Oeding said he checked with Adam Vaal about available funding. Adam checked and couldn't find funds available for a project like this one. Adam said the funds are generally for new projects.

REQUEST FOR EDUCATIONAL EXPENSES (B-180)

Mike Oeding asked for Board approval to reimburse Mike Gould for two classes in the amount of \$3,088.00.

Mike Schwenk made a motion to reimburse Mike Gould for educational expenses totaling \$3,088.00, subject to him passing the classes. Alex Emmons seconded the motion. Motion approved, 5-0.

COLOR SELECTION FOR WATER TOWER (B-205)

Mike Oeding asked Board members to stick around after the meeting to review colors for the Newton St. water tower.

GAS PLANNING COMMITTEE REPORT (B-218)

Alex Emmons, Chairman of the Gas Planning Committee, reported the committee had met twice to discuss gas purchasing options.

Mike Oeding said the committee would continue to review gas purchasing options, with the goal to pick the scenario that works best for Jasper and our gas load.

Mike Oeding reported on a new gas feeder line that will run to southeast side of Jasper. It will be installed under the distribution line being installed in the new Brentwood Subdivision. The new line will increase pressure and allow for expansion of the gas system in the southeast portion of the City.

WATER PLANNING COMMITTEE REPORT (B-266)

Mike Oeding stated that the Water Committee did not meet this past month.

WASTEWATER PLANNING COMMITTEE REPORT (B-267)

Ed Kreilein, Chairman of the Wastewater Planning Committee, stated the committee met on March 9th to discuss a possible ordinance to require a lateral line inspection for all building/houses for sale.

Kreilein gave a copy of the resolution to the Board for their review. Due to Tom Lents' absence, it will be presented for discussion and approval at the April meeting.

Mayor Schmitt came before the Board to discuss a possible sanitary sewer extension to A Street, B Street, and C Street (a total of approximately 25 homes), outside of the City limits.

Mayor Schmitt presented a map of the area.

He said he has received a few inquiries and he plans on holding an informational meeting in the future to see how much interest there is, but for now he just wants to make the Board aware and get their blessing to start the process. There was no objection from the Board.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (B-414)

Ken Sendelweck reported the Finance Committee had met and reviewed the claims on the Claim Docket.

Also presented was a claim on behalf of Harrison & Moberly LLP in the amount of \$14,213.40, representing legal services relating to the Titan liquidated damages issue for the Wastewater Project. SRF and BIF funds have been exhausted; therefore after Utility Service Board approval, the above referenced claims will be paid from Wastewater funds.

The Finance Committee recommended approval of the claims as presented.

Ed Kreilein made a motion to approve the claims as presented. Mike Schwenk seconded the motion. Motion approved, 5-0.

ELECTRIC SAVINGS (B-435)

Councilmen Butch Schitter and Brad Seger asked Jerry Schitter for clarification on the electric savings he discussed earlier in the meeting. Schitter briefly explained how he came up with his figures.

There being no further business to come before the Board, the meeting was adjourned at 8:35 PM upon motion by Ken Sendelweck and second by Ed Kreilein. Motion approved, 5-0.

Attest: _____
Secretary Chairman